

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

Margie & Jack Burrell,
Petitioner-Appellants,

v.

Dickinson County Board of Review,
Respondent-Appellee.

ORDER

Docket No. 09-30-0711
Parcel No. 03-28-376-022

On May 11, 2010, the above-captioned appeal came on for telephone hearing before the Iowa Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2)(a-b) and Iowa Administrative Code rules 701-71.21(1) et al. Petitioner-Appellants, Margie and Jack Burrell, requested a hearing and submitted evidence in support of their petition. They were self-represented. The Board of Review designated Assistant County Attorney Lonnie Saunders as its legal representative. It also submitted documentary evidence in support of its decision. The Appeal Board now having examined the entire record, heard the testimony, and being fully advised, finds:

Findings of Fact

Margie and Jack Burrell, owners of property located at 24284 140th Street, Orleans, Iowa, appeal from the Dickinson County Board of Review decision reassessing their property. According to the property record card, the subject property consists of a two-story, brick dwelling having 4153 total square feet of living area, a crawl-space basement, and an attached 1256 square-foot three-car garage. The dwelling was built in 2005, and has an E+5 quality grade. It is situated on a lakeshore lot on Spirit Lake, has 76.27 feet of lake frontage, 76.15 feet of road frontage and is 138 feet deep.

The real estate was classified as residential on the initial assessment of January 1, 2009, and valued at \$1,020,800, representing \$421,300 in land value and \$599,500 in dwelling value.

Burrells protested to the Board of Review on the ground the assessment is not equitable as compared to like properties in the taxing jurisdiction under Iowa Code section 441.37(1)(a). They did not propose a specific relief other than the assessment be lowered. The Board of Review denied the protest stating, "insufficient evidence presented to prove assessment is excessive."

Burrells filed their appeal with this Board and alleged the same equity ground. They claimed the correct assessment should be \$933,000, allocated \$403,400 in land value and \$529,600 in dwelling value.

Jack Burrell testified he is in the business of constructing modular homes and built his modular home in six sections. He was reluctant to disclose the cost of the home, considering it confidential information, but believed it was insured for approximately \$400,000. Burrell testified that the dwelling was faced with thin brick, as opposed to more expensive standard brick. He disputes the value of his land by comparing it to the assessments of the Lots 25 and 26 parcel near his site on Spirit Lake which, by his calculations, has a lower unit pricing than his land.

Burrells submitted an exhibit in the certified record listing the land assessment of another lakefront property based on a per-linear foot of shore frontage value. We note they used a different method of calculating the unit value of the properties than that used by the assessor. Burrells simply divided the assessment by the actual lakefront footage to arrive at their per front-foot values. This method failed to apply any depth or map factor to the properties. The Burrells compared a shallower lot with 89 foot depth to their 138 foot depth lot without adjustment for the difference. The assessor determined the same 0.94 map factor applied to both properties in arriving at the assessed value.

To show inequitable assessment of the residence, Burrells submitted an exhibit of another two-story dwelling of similar age and condition they considered comparable to their home. That property has 4090 square feet of living area, as compared to their 4153 square feet of living area. The exterior of the comparable is vinyl, whereas the subject has an entirely brick exterior, even if faced with thin

brick. The compared residence has a quality grade of 1-5, which is lower than the E+5 grade of Burrells' dwelling. A higher grade indicates the Burrell dwelling is of higher quality construction and building materials. Additionally, the compared property has a 624 square-foot, attached garage; while the subject has a 1256 square-foot, attached garage. Both properties have amenities such as open porches or decks and the compared property has a full basement as opposed to the crawl space basement in the Burrell property.

Assessor Patricia Dodds explained the method she used for calculating land values based on front footage. Dodds determines the dimensions of the lot, calculates the effective front foot of lakeshore by adjusting the actual footage by a depth factor, then multiplies the result by a unit price. This figure is then adjusted by a map factor for the area. She testified 150 foot is the standard depth of the lots as shown on the depth factor chart she uses from the APPRAISAL MANUAL¹. Dodds applies a unit price of \$6000 per effective front foot in this lake area. The Board of Review submitted a property it considered comparable in location, actual lakeshore front foot, depth, effective front foot, and unit pricing. This comparable has 77 effective front feet and is assessed at \$434,300, as compared to the subject properties' 74.71 effective front footage and assessment of \$421,300. The Board of Review submitted exhibits detailing the calculation for the subject property, and the comparable properties submitted by both parties. The method used by the assessor follows the APPRAISAL MANUAL front-foot procedure used to provide uniformity in mass appraisal². After following the manual procedure, she applied a local map factor which was the same for all comparable properties. The following chart summarizes the Board of Review exhibits:

Land Values	Unit Pricing	Lake Frontage	Road Frontage	Lot Depth	Depth Factor	Map Factor	Effective Front Foot	Assessed Value
Subject Property	\$6,000	76.27	76.15	138	0.98	0.94	74.71	\$421,300
Burrell Comp	\$6,000	74	74	89	0.79	0.94	58.46	\$329,700
BOR Comp	\$6,000	77	77	151	1	0.94	77	\$434,300

¹ IOWA DEP'T OF REVENUE, REAL PROPERTY APPRAISAL MANUAL (2008)

² *Id.* 2-6 to 2-8.

Dodds testified the dwelling used by Burrell as a comparable is in a different area of the lake, does not have a sand beach, is further from town and has a lower unit pricing of \$5000 per lakeshore front foot. In her opinion, Burrells' residence has a higher quality of construction and its brick exterior, which is atypical for modular homes, contributes to it being more valuable than Burrells' comparable property. The Board of Review offered exhibits showing three dwellings it considered more comparable to Burrells' home. We note two of the Board of Review comparables, unlike the subject property, are one-story dwellings, all have full basements. Comparable #2 has 2824 square foot of walkout basement finish. However, they also have greater physical depreciation due to age and have higher assessed values. The dwelling features are summarized in the following chart:

Dwelling Values	TSFLA	Yr Built	Exterior	Grade	Story	Condition	Basement	Garage	Assessed Value
Subject Property	4153	2005	Brick	E+5	2	NML	Crawl	1256 SF	\$599,500
Burrell Comp	4090	2003	Vinyl	1-5	2	NML	Full	624 SF	\$441,300
BOR Comp #1	2682	1999	Brick	E+5	1	NML	Full	952 SF	\$627,000
BOR Comp #2	3088	2000	Wd Lap	E+5	1	NML	Full	1197 SF	\$642,200
BOR Comp #3	5810	1989	Wd Lap	E+10	2	NML	Full	936 SF	\$662,100

Reviewing all the evidence, we find substantial evidence is lacking to support the Burrells' contention their land and dwelling assessments are inequitable. We find Dodds' explanation of her land pricing was reasonable and the method was applied uniformly to other lakefront lots in Burrells' area. Further, we find the differences between the Burrell's dwelling the Burrell comparable, and the Board of Review comparable residences account for the higher assessed dwelling value than the comparable property they identified. We believe the land and dwelling assessments reflect equitable valuations of the Burrells' property as of January 1, 2009.

Conclusion of Law

The Appeal Board applied the following law.

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2009). This Board is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. § 441.37A(3)(a). The Appeal Board considers only those grounds presented to or considered by the Board of Review. § 441.37A(1)(b). But new or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct. § 441.37A(3)(a).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. *Id.* "Market value" essentially is defined as the value established in an arm's-length sale of the property. § 441.21(1)(b). Sale prices of the property or comparable properties in normal transactions are also to be considered in arriving at market value. *Id.* If sales are not available, "other factors" may be considered in arriving at market value. § 441.21(2). The assessed value of the property "shall be one hundred percent of its actual value." § 441.21(1)(a).

To prove inequity, a taxpayer may show that an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shriver*, 257 Iowa 575, 133 N.W.2d 709 (1965). The gist of this test is ratio difference between

assessment and market value, even though Iowa law now requires assessments to be 100% of market value. § 441.21(1).

Viewing the evidence as a whole, we determine that substantial evidence was lacking to support the Burrells' claim of inequitable assessment as of January 1, 2009. We, therefore, affirm the property assessment as determined by the Board of Review. The Appeal Board determines the property assessment value as of January 1, 2009, is \$1,020,800, representing \$421,300 in land value and \$599,500 in dwelling value.

THE APPEAL BOARD ORDERS the January 1, 2009, assessment as determined by the Dickinson County Board of Review is affirmed.

Dated this 1st day of June 2010.

Jacqueline Rypma
Jacqueline Rypma, Presiding Officer

Karen Oberman
Karen Oberman, Board Chair

Richard Stradley
Richard Stradley, Board Member

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Certificate of Service	
The undersigned certifies that the foregoing instrument was served upon all parties to the above cause & to each of the attorney(s) of record herein at their respective addresses disclosed on the pleadings on <u>6/1/10</u> , 201 <u>0</u>	
By:	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> FAX
	<input type="checkbox"/> Hand Delivered <input type="checkbox"/> Overnight Courier
	<input type="checkbox"/> Certified Mail <input type="checkbox"/> Other
Signature:	<u>[Signature]</u>